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TAGS: [PGOV](#) [PREL](#) [ETTC](#) [ETRD](#) [MASS](#) [RS](#)
SUBJECT: GOR CONCERNED ABOUT UNLICENSED KALASHNIKOVs

Classified By: Acting Political M/C David Kostelancik. Reasons 1.4 (b) and (d).

11. (U) This is an action request. Please see paragraph 2.

12. (C) On February 2 MFA DVBR Third Secretary Aleksey Chumichev passed us a nonpaper that alleged a Nevada-based subsidiary of the Bulgarian company Arsenal Inc. was manufacturing Kalashnikov automatic rifles without a valid Russian license. The nonpaper also argues that this is not an isolated case; numerous companies in the U.S. manufacture unlicensed Kalashnikovs. The GOR would like any official USG reaction to these allegations, as well as any information we may have regarding the unlicensed manufacture of Russian weapons.

13. (C) According to Chumichev, the GOR wants to protect the intellectual property rights of its arms manufacturers. The GOR is also concerned that Arsenal Inc. and other companies like it could export large quantities of these unlicensed Kalashnikovs to countries that are unfriendly to Russia, such as Georgia.

14. (C) We told Chumichev that cases of IPR violations should be handled by the U.S. justice system. We suggested the GOR hire legal representation and settle this issue in a court of law.

15. (SBU) Begin unofficial translation of nonpaper text:

We are well aware of the U.S. side's negative attitude to the problem of industrial piracy. We fully share the opinion that it transcends the parameters of civilized trade relations.

We believe that of all the spheres where the practice exists, piracy in the sphere of weapons production must cause special concern. While imitation of other types of products mainly entails the developer's financial losses, which the state must of course decisively counter, pirate weapon production is fraught with incomparably more serious and dangerous consequences. As a rule, such production is oriented toward exportation, serves as one of the sources of weapons for black markets, and sustains weapon trafficking.

In this connection, we could not help but be surprised by the information posted on the internet that a subsidiary of the Bulgarian enterprise Arsenal, Inc., operates in the U.S. state of Nevada and assembles weapons based on the Kalashnikov automatic and manufactures its certain components (details may be found at www.arsenalinc.com). We consider it unlawful that the Bulgarian side produces Soviet/Russian-developed weapons under expired licenses or without a license and are taking steps to settle the matter. It is clear to us that the enterprise has no relevant Russian licenses.

Regrettably, the situation with Arsenal, Inc., does not look like an exception. From other commercial announcements on the internet ([www.ak-47.us/AK47 Manufacturers.php](http://www.ak-47.us/AK47_Manufacturers.php)) we know about a dozen enterprises that hold no Russian licenses and manufacture weapons and components on the basis of various modifications of the Kalashnikov automatic in the states of Arizona, Florida, Illinois, Ohio, Oklahoma, Texas, and Utah.

We would ask the U.S. side to consider the information about the unlicensed production of Soviet/Russian-developed weapons in the United States. We expect to receive detailed explanations on this matter.

We believe that insufficient attention to the problem of unlicensed weapons production on the part of leading weapons manufacturers and exporters in the world may be assessed as encouragement of such practices by the countries in which such production constitutes a ponderous portion of the national budget and is carried out with the connivance and tacit consent of the authorities.

We therefore would like to know the opinion of the U.S. side concerning the expediency of working out jointly with Russia, and possibly with other major players on the world weapons market, of a common principled stance in the interest of solving this problem.

BEYRLE